

COUNTY OF LOS ANGELES

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DEPARTMENT OF MENTAL HEALTH

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Reply To: (213) 738-4601
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October 13, 2011

TO: Each Supervisor
FROM: *Robin Kay for*
Marvin J. Southard, D.S.W.
Director

SUBJECT: NOTICE OF INTENT TO REQUEST DELEGATED AUTHORITY TO
APPROVE A PERCENTAGE INCREASE EXCEEDING TEN PERCENT
OF THE TOTAL CONTRACT AMOUNT FOR THE 1115 WAIVER
DEMONSTRATION PROJECT

This is to advise your Board that the Department of Mental Health (DMH) is currently in the process of obtaining your Board's approval to execute amendments to existing DMH Legal Entity (LE) agreements for the provision of mental health services under the new 1115 Waiver Demonstration Project (Waiver).

In accordance with Board of Supervisors Policy 5.120, prior Board notice is required for any department requesting delegated authority to increase Board-approved contracts by more than ten percent.

BACKGROUND

On November 2, 2010, the California Department of Health Care Services (CDHCS) and Centers for Medicare and Medicaid (CMS) entered into a new Waiver, commonly known as the *California Bridge to Reform*, for a five (5) year period, commencing November 1, 2010. The Waiver provides health care coverage expansion, continued partial funding of public hospitals uncompensated costs, new funding for delivery system improvements at public hospitals, Medi-Cal Managed Care for Seniors and Persons with Disabilities, and federal matching funds for various State-only funded programs.

The health care coverage expansion portion of the Waiver provides the framework for federal Health Care Reform in 2014, through its establishment of the Low Income Health Plan (LIHP) which includes Medicaid Coverage Expansion (MCE). MCE is not subject to a federal funding cap and provides a broader range of health care services to its enrollees who are adults, ages 19-64, with incomes at or below 133% of the Federal

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Poverty Level (FPL) and who meet citizenship or legal residency requirements. As stipulated by the Waiver, behavioral health services must be integrated into this broader range of services; these enrollees must receive an evidence-based benefit package of mental health services in community-based settings with an emphasis on prevention and early intervention.

The current mechanism for MCE in Los Angeles County is the "Healthy Way L.A. Health Care Initiative" (HWLA) Program, which is managed by the Department of Health Services (DHS) through its directly operated health centers and Community Partners.

On June 14, 2011, your Board authorized DMH to enter into contracts with Community Partners to implement the Mental Health Integration Program (MHIP) model in their primary care settings. The MHIP is an evidence-based practice that is intended to identify and treat adults who are experiencing moderate psychiatric symptoms and streamline access to treatment in order to facilitate their return to a functional state.

In addition, your Board authorized DMH to amend its existing LE agreements in an amount not to exceed twenty percent of the Board-approved Maximum Contract Amount (MCA) to provide the required mental health services when a Community Partner chooses not to enter into a direct contract with DMH or does not meet the minimum qualifications and thus is required under its DHS agreement to partner with a DMH directly operated or contracted provider.

JUSTIFICATION

The Board action will request that your Board allow DMH to amend its existing LE agreements as necessary and without limitation for the purposes of implementing the Waiver requirements for mental health services. The requested authority is necessary to accommodate certain LE contractors that are also Community Partners, as well as other LE contractors who may require additional funding based on their arrangement with Community Partners who do not have a direct agreement with DMH.

As the HWLA program is still in its initial phases, neither DMH nor its contractors can determine with certainty the number of HWLA enrollees that will be served by each contractor. The requested delegated authority will allow DMH to rapidly respond to changing needs and ensure that HWLA clients are able to receive timely integrated services.

Each Supervisor
October 13, 2011
Page 3

NOTIFICATION TIMELINE

Consistent with the procedures for Board Policy 5.120, we are informing your Board of our intention to proceed with the filing of the Board Letter with the Executive Office of the Board for the November 15, 2011 Board meeting.

If you have any questions or concerns, please contact me, or your staff may contact Richard Kushi, Chief, Contracts Development and Administration Division, at (213) 738-4684.

MJS:RK:RK:SK:atm

c: Executive Officer, Board of Supervisors
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